

Updated Policy Language and New Coverage Limits for Nonweather Water-Related Losses

June 12, 2018

The Florida Office of Insurance Regulation (OIR) has approved changes to Citizens' policy language that affect coverage limits for nonweather water-related losses and duties after loss.

The changes apply to the following policy types for new business and renewal policies effective on or after August 1, 2018:

- *Citizens Homeowners 3 – Special Form (CIT HO-3)*
- *Dwelling Property 3 – Special Form (CIT DP-3)*

HO-3 and DP-3 policyholders who do not participate in our [Managed Repair Program](#) will have limited coverage for nonweather water-related losses.

Revisions to HO-3 and DP-3 Policy Language

Section

Conditions

Reasonable Emergency Measures (REM)

For nonweather water-related losses, REM will be limited to \$3,000 only and apply to protect Coverage A, Coverage B and Coverage C property from further damage.

Perils Against Insured

Nonweather water-related losses will be subject to a \$10,000 limit.

Duties After Loss

Note: This applies to DP-3, condominium and tenant contents policies also.

Claimants other than the policyholder will be required to do the following in order to claim benefits:

- Provide documentation that substantiates the claimant's right to bring a claim under the policy
- Provide documentation that details, itemizes, and substantiates the scope and amount of loss for which the claimant is making a claim
- Participate in appraisal or other alternative dispute resolution method

For more information, refer to the coverage forms located in the *Personal* section of the *Agents* site.

Endorsements

As announced in the July 11, 2017, [Personal Lines Bulletin](#), Citizens introduced the Managed Repair Program, which includes two endorsements to provide valuable claim services to our policyholders. The endorsements are explained below and are located in the *Personal* section of the *Agents* site:

Emergency Water Removal Services (EWRS)

- CIT 04 85 for HO-3 policies
 - CIT 05 85 for DP-3 (building) policies
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Managed Repair Contractor Network Program (MRCNP)

- CIT 04 86 for HO-3 policies
- CIT 05 86 for DP-3 (building) policies

If ...

Then ...

The policyholder participates in EWRS

The \$3,000 REM limit does not apply, and the services will be paid by Citizens whether or not there is coverage for loss.

The policyholder does not participate in EWRS

- Coverage for REM is limited to \$3,000.
 - Payments made from the \$3,000 REM limit will be deducted from the \$10,000 water limit for policyholders who also choose not to participate in the MRCNP.
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Notes

- If additional water mitigation services are needed, the policyholder can still participate in EWRS.
- The \$3,000 limit does not apply if the policyholder is not offered EWRS.

The policyholder participates in the MRCNP

The \$10,000 limit does not apply.

Note: The \$10,000 limit does not apply if the policyholder is not offered the MRCNP.

New PolicyCenter Prompt for Emergency Water Removal Services

When an agent enters a new first notice of loss (FNOL) with a loss cause of nonweather water-related damage, and the policyholder is not interested in EWRS, PolicyCenter® now will prompt the agent to provide a reason for declining the service.

Policyholder Communications

To make affected policyholders aware of the policy changes, Citizens will mail the following communications to them:

- Updated *Declarations* documents
 - An informational letter and brochure, which will be sent after the policy effective date. They will be available on the website at a later date.
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Resources

For more information, log in to the *Agents* site and, from the website's top menu, select **Search** → **Search Frequently Asked Questions** (FAQs) and enter:

- *Managed Repair*
- *MRP*
- *Emergency Water Removal Services*

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